



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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## Grassley Secures Funds to Strengthen Medicare, Add Prescription Drug Benefit

WASHINGTON — Sen. Chuck Grassley, chairman of the Committee on Finance, won passage of an amendment to the budget resolution this afternoon to provide funding and maximum flexibility for lawmakers to craft a responsible Medicare reform and prescription drug proposal.

The Senate voted 51 to 50 for Grassley's proposal, which was offered as a second-degree amendment to the Baucus/Graham amendment on prescription drugs. It was the first Senate vote on which Vice President Dick Cheney broke the tie.

"This amendment is a victory for the American people. It will give senators the opportunity to craft responsible Medicare legislation with a prescription drug benefit and make sure we maintain fiscal responsibility," Grassley said. "It's the right approach because nobody's got a crystal ball to know exactly how much money legislation to reform Medicare and add a prescription drug benefit will cost. We do know that we shouldn't worsen Medicare's financial condition. And we need to take steps to strengthen and improve Medicare's management and delivery system, while improving access to outpatient prescription drugs. We need to do this all at the same time. So, the price tag of Medicare reform depends on the policy, and I'm committed to action on Medicare policy."

Grassley's amendment gives the chairman of the Budget Committee the ability to reallocate funds as necessary, beyond \$153 billion and not over \$300 billion over 10 years, toward any Medicare legislation the Finance Committee puts forth, as long as this legislation provides reforms to the Medicare program and improves access to prescription drugs.

Sens. Pete Domenici of New Mexico, Olympia Snowe of Maine, Bill Frist of Tennessee, Susan Collins of Maine, and Gordon Smith of Oregon co-sponsored the Grassley amendment. The budget resolution is not binding, but it sets parameters for tax and spending legislation.

Under Grassley's leadership, the Finance Committee has conducted hearings to look at trends in Medicare spending and the cost implications of a new drug benefit, Medicare solvency, and the Medicare+Choice program. He has planned additional hearings to examine reforms to the Health Care Financing Administration, modernizing fee-for-service, and payment inequities in cost-effective areas of the country.

"As chairman, I want to update Medicare to make sure beneficiaries have access to 21<sup>st</sup> century medicine, including the latest in pharmaceutical treatments and medical technologies. We also need to make sure we manage Medicare so providers can deliver the best quality of care without unnecessary paperwork burdens. And we need to make sure we oversee Medicare so tax dollars aren't wasted," Grassley said.